Authority NND 4 173 Date 04/



## Department of State

## TELEGRAM

DECLASSIFIED PA/HO Department of State E.O. 12958, as amended June 21, 2006

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INFO: CINCSTRIKE

STATE

JOINT STATE/DEFENSE MESSAGE

Iranian Military Credit Purchases SUBJECT:

You may inform GOI that USG has approved in principle the following items for possible inclusion in the FY '71 military credit for Iran: 32 RPT 32 F-4Es, 4 RF-4Es, and 30 C-130s as well as payments on 32 F-4Es ordered in FY '69, the M-47 retrofit program and 4 AN/TPS-43 radars. 7 additional F-4Es have also been approved in principle for sale as attrition aircraft. FYI. You will note that foregoing does not RPT not include 7th and 8th squadrons of F-4s which Shah has indicated he would like to acquire and for which GOI has signed a letter of intent. A saparate message dealing with this subject will be forthcoming

DRAFTED BY:

NEA/IRN: RLDowell, Jr:slb

shoutly.

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END FYI.

20574

APPROVED BY:

NEA - Rodger P. Davies

CLEARANCES:

PM/MAS-Mr. Chapman (subs)

PM/MC-Mr. Bowie (subs)

ExImBank: Mr. Bostwick (draft)

**DOD/ISA - Mr. Peyer (draft)** 

J - Ambassador Johnson (draft)

S/S - Mr. Eliot WV

ACDA - Mr. Farley (info)



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By 13 Date 04/09/02

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- 2. In conveying foregoing to GOI it is requested that you impress upon it fact that USG has made every effort to be as helpful as possible under the circumstances to assist in financing GOI military purchases. As in past, future requests for credit for military purchases and discussion of items to be acquired should be conducted through Embassy/MAAG channels for onward reference for USG consideration. Once agreement reached on items and on level of annual credit considered appropriate by State/ Defense/ExIm Bank, Exim Bank will be prepared to discuss with GOI. By insisting GOI adhere to foregoing sequence, we desire to avoid repetition of recent F-4 and C-130 cases in which letters of intent were signed before USG had agreed to including these items in FY 71 credit program.
- 3. Estimate disbursement requirements in FY '71 for above items, not RPT not including any attrition F-4s, amount to \$131,913,000 RPT \$131,913,000. USG is not prepared

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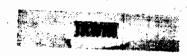
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to provide financing assistance for this entire amount. However, since above items involve FY '71 disbursements substantially exceeding previous FMS credits of \$100 million, Exim Bank, desiring to be as forthcoming as possible, will extend, with State-Defense approval, up to \$120 million RPT \$120 million of direct loan and guarantee assistance to Iran to finance its FY '71 payments for agreed upon military It suggested that GOI fund \$13.1 million required for TPS-43 radars from its own resources and utilize Exim assistance for other approved purchases (F-4, RF-4, C-130 and M-47 programs require \$118,813,000 RPT \$118,813,000 in FY '71).

GP-3

END



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